



**Testimony to the Appropriations Committee
Office of Early Childhood - February 17, 2022**

I am writing to comment on House Bill 5037 AAC the State Budget for the Biennium Ending June 30th, 2023

From: Julie Hall
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To: Senator Osten, Representative Walker, Senator Miner, Representative France and members of the Appropriations Committee:

My name is Julie Hall, and I am the Sr. Director of Children & Family Services at SARAH Inc. We are a non-profit organization providing services to more than 1400 infants, toddlers and adults with differing abilities in 50 towns, across 5 counties throughout Connecticut. My role with the agency is to direct the overall operations and financial management of services to children and their families. I'd like to share some of the issues impacting the stability of early intervention providers (agencies providing Birth to Three services) in Connecticut and how you can help.

SARAH Inc.'s KIDSTEPS program meets the developmental needs of children ages 0-3 who have developmental delays, disabilities, and/or autism. Our team, like other programs in the state, are supporting families during their child's development, from the evaluations to services and through transitioning into school systems and their community. Our program is built around the fundamental principle that a parent is their child's best advocate and it is our responsibility to provide parents with all the tools they need to best help their children. This is becoming more and more difficult with the funding challenges we are currently facing.

The Challenges:

Early Intervention programs like ours are experiencing **extreme financial hardships**. Factors impacting the financial stability of programs:

1. In 2017, the Birth to Three system switched to a fee-for-service model and has not had a rate increase or review in the past 5 years and it will be **7 years** by the time the review happens!
2. Birth to Three programs have been left out of COLA increases, including last year's 4% increase to non-profit agencies. That being said, in the last year alone, inflation rates have increased by almost 6%!
3. Birth to Three programs have not directly received any stabilization funds (ARPA)

The rates have not kept up with the cost of doing business in Connecticut. Programs are subject to **ever increasing costs** for basic benefits for employees and things such as overhead and mandatory program materials, including updated testing tools that cost exorbitant prices. For example: our agency had to purchase kits to necessary for determining eligibility for the Birth to Three program. Twenty-five of these standardized testing kits cost over \$25,000 and these were

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only half of the test kits we need to do the work. There is no reimbursement for these types of costs. **Programs are expected to absorb this cost** as well as the cost of training employees on these tools whenever the newest version is published. In addition, programs are procedurally required by the Birth to Three system to provide intensive training and supervision without financial compensation. This is a costly endeavor for agencies and is **NOT sustainable**.

The Impact:

This **flat funding** issue has **negatively impacted our ability** to provide the salaries necessary to **attract and retain the highly educated staff** needed to provide these services. The financial impact of flat funding is compounding the **workforce shortage issues within the early intervention field**. We not only struggle to attract existing licensed and certified professionals but also newly graduated clinicians. They have the opportunity to pursue jobs in schools, hospitals, outpatient center and long-term care facilities for better benefits and higher salaries. What is the impact of this? **Families are waiting longer to get the service(s) that their child needs** with the intensity they need during this critical period in their development. **Clinicians currently in the field are overtaxed and burning out** trying to help families. This has led to difficulties retaining staff.

In earlier testimony offered by The CT Alliance for Non-Profits they shared:

"The impact of the pandemic, in concert with decades of chronic underfunding, have exacerbated the workforce crisis for the nonprofit sector. Our recent report , ["CT Nonprofit Workforce Crisis,"](#) highlighted the following critical areas of concern:

- *91% of nonprofit respondents said it has been difficult or extremely difficult to recruit employees this past year.*
- *The average vacancy rate is 18%.*
- *68% said demand for services has increased over the past two years*
- *11% of those said it increased by more than 50%..."*

While not all early intervention programs are non-profit, we are all being impacted in the same manner. The above statistics are not dissimilar to those we are experiencing.

The Birth to Three system reported that after analyzing the fiscal expense reports from its contracted early intervention programs, our program included, that 11 out of 19 programs reported a loss for the fiscal year ending June 30,2021. The situation has grown even more dire. A recent survey among programs revealed that if state funding does not increase for next fiscal year, **40% of programs say they will be forced to close or reduce their capacity to serve families**.

Connecticut is known across the country as being a **leader in the provision of early intervention services** and a state where best practices are not only encouraged but are implemented within the field. **Other states have risen to meet the financial cost** of providing these high-quality services to infants, toddlers, and their families. See below for details.

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| Massachusetts: | 19.5% rate increase over six years, averaging 3.25% per year. Additionally, millions in COVID relief funds were sent directly to providers. |
| Virginia: | Hourly rate is 23% higher than CT. Administrative payments to programs increased in 2019 from \$132 a month to \$242 a month (83% increase). CT's administrative/case management rate is \$100 per month and has been flat funded for 5 consecutive years. |
| Pennsylvania: | Annual average rate increase of 1.5 % for past 4 years. |
| New Jersey: | 5% rate increase in 2021 and recent 2.5% increase in 2022. |
| Connecticut: | No funding increase in the last 5 years, no funding review scheduled for the next 2 years. |

The issues we are talking about are **not just deficit budgets to programs, they are deficits experienced by infant, toddlers and their families.** They are waiting longer for Autism Assessments. They are waiting longer for services for specific services while all agencies are struggling with hiring the necessary disciplines to provide the needed services. This crucial time in development is slipping away.

Not identifying children in need of early intervention services or struggling to deliver services to those who are eligible, is not only tragic for the child, but also has negative impacts for their communities and the economy. Nobel Prize winning economist John Heckman is known for his work on the economics of human potential. He shares that making investments in early childhood education reduces deficits and strengthens the economy. "The highest rate of return in early childhood development comes from investing as early as possible. Starting at age three or four is too little too late, as it fails to recognize that skills beget skills in a complimentary and dynamic way. Efforts should focus on the first years for the greatest efficiency and effectiveness." John Heckman, December 7, 2012

The Action Needed:

These are not easy issues to resolve, and this will require a strong commitment. Please help SARAH Inc. KIDSTEPS and other essential Birth to Three programs by:

- Including Birth to Three services as part of any Cost of Living Adjustment in the budget
- Revising regulations to provide timely and predictable rate increases for programs to account for doing business in Connecticut.
- Revising funding streams to support short & long-term General Administrative Payment increases.
- Immediately increasing Birth to Three rates by 10% to help sustain all early intervention agencies in Connecticut.
- Offering student loan forgiveness programs -draw new graduates to the Birth to Three system.

We respectfully ask that you remember SARAH Inc. and other Birth to Three programs during the upcoming legislative session. We are providing essential services to the most vulnerable population in Connecticut without adequate reimbursement rates to compensate for the services.

Thank you. Please see the attached document "*Birth to Three Programs Need Your Help!*" for more details.

J Hall